



**CITY OF TEMPE
COMMUNITY DEVELOPMENT DEPARTMENT**

**AFFORDABLE HOUSING
STRATEGY DOCUMENT**

**CITY OF TEMPE
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Affordable Housing Strategy Document

I. Introduction

Affordable housing is quickly becoming a concern in many U.S. cities; Tempe is no exception. Affordable housing is important to ensuring that Tempe continues to be the best place to live, work, and play. When making decisions on how to plan for and provide affordable housing, many variables must be considered including the available housing stock, market trends, and community needs. Affordable housing for individuals and families must consider the full spectrum of needs from the homeless to the workforce.

II. Mission Statement

Support housing for low to moderate-income individuals and families that provides the greatest level of self-sufficiency, dignity, and independence. Invest in housing development that allows for maximum long-term affordability.

III. Definition

For the purpose of this document, affordable housing is defined as:

“Housing provided and maintained through some combination of zoning incentives, cost-effective construction techniques, and government assistance that can be rented or purchased by households who cannot afford market rate housing in the community.”

IV. Types of affordable housing

Affordable housing may take several forms, serving many different needs:

- A. **Owned** – single family home, town home, condominium, manufactured home.
 - Purchased at market value to qualified homebuyer not paying more than 30% of income
 - Purchased at market value with down payment assistance
 - Purchased at market value with low interest loan program
 - Purchased at market adjusted value with community land trust owning the land
 - Purchased at market value but rehabilitated through grant funds to qualified home owners
 - Purchased at market adjusted value with zoning requirements for affordable housing provision within new developments

B. **Rented** – single family home, town home, apartment, manufactured home.

- Rented at market value to qualified renter not paying more than 30% of income
- Rented at market value with rental assistance of payment vouchers to qualified renters
- Rented at market adjusted value with subsidies to landlord for qualified renters
- Rented at market adjusted value with zoning requirements for affordable housing provision within new developments
- Rented at market adjusted value through other subsidies (land donation, non-profit, university provision, grants, etc.)

C. **Special Needs** – group home, assisted living or independent living in single family, condominium, apartment, town home, dormitory or nursing home

- Developed as housing for a specific need, either for a family member, as a non-profit, or as a business
- Purchased and modified as housing for a specific need, either for a family member, as a non-profit, or as a business
- Rented by the bed, by the room, or by the unit specific need, either for a family members, as a non-profit, or as a business

V. Examples

In Tempe, affordable housing is provided through many forms:

- Section 8 Housing Choice Vouchers
- Section 8 Homeownership Down payment Assistance Program
- Housing Improvement Program (HIP) - Owner-occupied home rehabilitation
- American Dream Down payment Assistance Program
- Rental Reinvestment Program (RRP) - Rental Rehabilitation
- Community Assisted Mortgage Program (CAMP)
- Homebuyer Education
- HUD subsidized properties
- Individual Development and Empowerment Account (IDEA) Programs
- Acquisition and Rehabilitation
- Partnerships with both for and non-profit organizations

VI. Policies and Strategies

The need for additional forms of affordable housing unmistakably exists in Tempe. This document proposes the following policies and strategies:

- A. **Policy:** Encourage housing for residents with special needs that provides the greatest level of self-sufficiency, dignity and independence.

1. Tempe's current implementation tools:

- Establish and maintain a registry of adaptable and/or accessible housing units.
- Partner with service providers when developing special needs housing.

2. Proposed Strategies:

- Implement a policy for new housing developments to provide a percentage of special needs units.
- Develop a program for owners of adaptable and/or accessible units to make them available on a "first-right of refusal" basis to those needing such units.
- Consult with the city's Commission on Disability Concerns when evaluating proposals for special needs housing.
- Encourage ASU to create/adapt additional accessible (special needs) housing.

B. Policy: Increase the amount of financial and/or technical resources available for the creation and/or preservation of affordable housing opportunities.

1. Tempe's current implementation tools:

- Require homebuyer or homeowner contribution for down payment assistance.
- Provide Resolutions of Support to non-profit organizations applying for affordable housing resources.
- Structure down payment assistance and rehabilitation loans to be repaid upon sale of property or abandonment as primary residence; actively monitor for compliance.
- Offer assistance to developers of affordable housing on how to "layer" various subsidies.

2. Proposed Strategies:

- Support appropriate uses of the Low Income Housing Tax Credit for the development of affordable rental housing.
- Explore partnership opportunities with the Industrial Development Authorities.
- Research creation of a housing trust fund from local general funds and private sector contributions to be matched by state and federal resources.
- Allocate available funding for non profit capacity building and administrative support.

- C. **Policy:** Preserve and maintain the existing affordable housing stock that is safe, decent and sanitary.

1. Tempe's current implementation tools:

- Target homeowner rehabilitation activities in aging neighborhoods.
- Encourage the use of the historic tax credit by eligible homeowners.

2. Proposed Strategies:

- Targeted Area Revitalization emphasizing rehabilitation of homes.
- Increase Housing Improvement Program/Rental Rehabilitation Program assistance amounts.
- Aggressively market existing rehab programs.

- D. **Policy:** Increase the homeownership rate in Tempe with an emphasis on creating opportunities for the moderate-income population.

1. Tempe's current implementation tools:

- Solidify partnerships with non-profit organizations providing homebuyer education and counseling services.
- Offer incentives for developers of affordable "for sale" housing.
- Improve awareness of the City's downpayment assistance program by local real estate professionals.
- Participate in homeownership fairs and other events attracting potential homebuyers, real estate professionals and lenders.

2. Proposed Strategies:

- Increase Community Assisted Mortgage Program downpayment assistance amount from \$17,500 to \$35,000.
- Support and join other Valley communities in the issuance of mortgage revenue bonds and mortgage credit certificates for homeownership.
- Encourage participation in the U.S. Department of Housing and Urban Development's Officer Next Door and Teacher Next Door Programs.
- Educate Tempe employers on the benefits of employer downpayment assistance programs.
- Establish opportunities for Right of First Refusal for rental conversion to low to moderate income owner-occupied housing.

E. Policy: Solicit participation in and support of affordable housing initiatives from Tempe citizens and business professionals.

1. Tempe's current implementation tools:

- Put a "face" on affordable housing through a comprehensive public awareness campaign.
- Educate realtors and lenders on resources to make homeownership affordable.

2. Proposed Strategies:

- Educate key staff on the Community Reinvestment Act and opportunities for private lenders.
- Publish annual performance/production reports on how affordable housing resources have been invested.
- Draft a comprehensive brochure outlining all affordable housing programs offered by the city.
- Maintain a website with program descriptions and online applications.

F. Policy: Create opportunities for low and very low income households to achieve permanent housing.

1. Tempe's current implementation tools:

- Participate in the Continuum of Care Regional Committee on Homelessness.

2. Proposed Strategies:

- Encourage Housing First programs that are enriched with comprehensive social services.
- Encourage the development and implementation of Housing First units for homeless individuals and families.
- Establish city-wide policies to create and maintain transitional housing.
- Create rental opportunities that are obtainable for this demographic.
- Create, in partnership with service providers and neighboring communities, a publication of regional affordable housing resources.
- Encourage the continued participation in Individual Development Accounts. (automatic with Family Self Sufficiency participants)
- Provide rental housing to people that are very low to low income (30% Area Median Income).
- Allow single room occupancy units in all multi-family neighborhoods

VII. Projects and Programs

In an effort to incorporate the strategies outlined above, the following list is intended to foster innovative solutions to an increasing demand for affordable and special needs housing.

A. Proposed Projects or Programs:

- Explore the feasibility and demand for more cost-effective special needs housing units such as single-room occupancy and congregate/shared living.
- Investigate and address barriers to creation of single room occupancy housing units.
- Create density bonuses for proposed housing projects which include affordable or special needs housing.
- Invest City resources to create affordable units in market rate developments
- Implement inclusionary zoning policies to mandate the creation of affordable housing units within new housing developments. Or, in the alternative, impose a per unit fee used for the creation of affordable housing citywide.
- Explore a sliding scale investment that increases in conjunction with the affordability period in excess of Federal guidelines.
- Explore creating an additional downpayment assistance program that includes a shared equity approach to appreciation.
- Revise procurement policy on payment to general contractors participating in the Housing Improvement Program & Rental Rehabilitation Programs.
- Develop a mobile home park conversion ordinance.

VIII. Glossary

Special Needs Housing: includes seniors, youth, persons with sight, mobility or hearing challenges, persons with developmental disabilities, and students. These populations have been identified as potentially needing a unique type of housing or housing amenities that are not readily available in the market.

Transitional Housing: group home, assisted living, apartment or single family home; owned by an individual, non-profit or for-profit organization; rent may or may not be charged for housing; provided for individuals or families moving from homelessness to permanent housing.

Adaptable: Adaptable housing refers to dwellings with design features that are easily adapted at a later date to flex with the changing needs of the occupants - generally purpose built dwellings for a person or persons with a disability. The principles of adaptable housing are based on cost, choice, visibility, and ease of adaptation.

SRO: Single Room Occupancy (SRO) housing contains units for occupancy by one person. These units may contain food preparation or sanitary facilities, or both. The SRO program is authorized by Section 441 of the McKinney-Vento Homeless Assistance Act.